

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201

January 26, 2004

Mr. Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

JAN 27 2004

PUBLIC SERVICE
COMMISSION

CINERGY
ULH&P

Dear Mr. Dorman:

RE: Gas Cost Adjustment Monthly Filing – Case No. 2004-00011

Enclosed for filing are a Revised original and four (4) conformed copies of The Union Light, Heat and Power Company's (Union Light) "Monthly Report of Gas Cost Calculations and Revised Tariff Schedules," for the month commencing with the February 2004 revenue month in accordance with KPSC order dated November 6, 2003 in Case No. 2003-00386. This filing is based on supplier tariff rates expected to be in effect on February 2, 2004 and the NYMEX on January 26, 2004 for the month of February. Per Don Rottinghaus telephone conversation with Jeff Shaw, please replace the filing of January 13, 2004 with this filing. The reason for this is the natural gas futures for February 2004 have fallen significantly from the estimate we filed on January 13, 2004.

The above described schedules and GCA are effective with the final meter readings of District 1, February 2004, revenue month (i.e., final meter readings on and after February 2, 2004).

Union Light's proposed GCA is \$7.095 per Mcf. This rate represents a decrease of \$0.703 per Mcf from the rate currently in effect for January 2004.

Please stamp "FILED" on the additional enclosed copy of the application and return for our file. Thank you.

Very truly yours,



Robert P. Butts, Jr.

RPB:ga

Enclosure

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COMPANY NAME: THE UNION LIGHT, HEAT & POWER COMPANY
GAS COST ADJUSTMENT CLAUSE RATE CALCULATIONS
SUPPLEMENTAL MONTHLY REPORT

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	6.558
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.004)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.522
BALANCE ADJUSTMENT (BA)	\$/MCF	0.019
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA + BA	\$/MCF	<u>7.095</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: FEBRUARY 2, 2004 THROUGH MARCH 1, 2004

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	6.558

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.004)
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	<u>0.000</u>
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.004)

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	(0.045)
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.183)
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.437
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>0.313</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.522

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	(0.022)
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.029
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.004
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>0.008</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	0.019

THIS MONTHLY REPORT FILED PURSUANT TO ORDER NO. 76-515-GA-ORD
OF THE PUBLIC UTILITIES COMMISSION OF OHIO, DATED OCTOBER 18, 1979.

DATE FILED: January 26, 2004

BY: JOHN P. STEFFEN

TITLE: VICE-PRESIDENT, RATES

PURCHASED GAS ADJUSTMENT

COMPANY NAME: THE UNION LIGHT, HEAT & POWER COMPANY

SUPPLEMENTAL MONTHLY REPORT

EXPECTED GAS COST RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF
PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED

FEBRUARY 2, 2004
NOVEMBER 30, 2004

DEMAND (FIXED) COSTS:

	\$
Columbia Gas Transmission Corp.	3,301,537
Tennessee Gas Pipeline	919,620
Columbia Gulf Transmission Corp.	916,803
K O Transmission Company	291,880
Gas Marketers	188,552
TOTAL DEMAND COST:	<u>5,618,392</u>

PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES: 11,434,070 MCF

DEMAND (FIXED) COMPONENT OF EGC RATE: \$5,618,392 / 11,434,070 MCF **\$0.491 /MCF**

COMMODITY COSTS:

Gas Marketers	\$5.239 /MCF
Gas Storage	
Columbia Gas Transmission	\$0.818 /MCF
Propane	\$0.010 /MCF
COMMODITY COMPONENT OF EGC RATE:	<u>\$6.067 /MCF</u>

TOTAL EXPECTED GAS COST: \$6.558 /MCF

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : FEBRUARY 2, 2004



GAS COMMODITY RATE FOR FEBRUARY, 2004:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$5.8404	\$/Dth
ULH&P FUEL	1.800%	\$0.1051	\$5.9455	\$/Dth
DTH TO MCF CONVERSION	1.0330	\$0.1962	\$6.1417	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.8530		\$5.2389	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$5.239	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$5.1830	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$5.1983	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.554%	\$0.1328	\$5.3311	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0178	\$5.3489	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0138	\$5.3627	\$/Dth
ULH&P FUEL	1.800%	\$0.0965	\$5.4592	\$/Dth
DTH TO MCF CONVERSION	1.0330	\$0.1802	\$5.6394	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.1450		\$0.8177	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA G.			\$0.818	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.34268	\$/Gallon
GALLON TO MCF CONVERSION	14.84	\$4.7427	\$5.0854	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0020		\$0.0102	\$/Mcf
PROPANE COMMODITY RATE			\$0.010	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 1/26/04 and contracted hedging prices.

Revised Tariff Schedules

INDEX TO APPLICABLE SCHEDULES AND COMMUNITIES SERVED

	<u>Sheet No.</u>	<u>Bill No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>SERVICE REGULATIONS</u>					
Service Agreements.....	20	-	05/24/92	02/26/92	
Supplying and Taking of Service.....	21	-	05/24/92	02/26/92	
Customer's Installation.....	22	-	05/24/92	02/26/92	
Company's Installation.....	23	-	05/24/92	02/26/92	
Metering.....	24	-	09/10/93	09/10/93	
Billing and Payment.....	25	-	02/02/01	02/02/01	
Deposits.....	26	-	09/10/93	09/10/93	
Application.....	27	-	05/24/92	02/26/92	
Gas Space Heating Regulations.....	28	-	05/24/92	02/26/92	
Availability of Gas Service.....	29	-	05/24/92	02/26/92	
<u>FIRM SERVICE TARIFF SCHEDULES</u>					
Rate RS, Residential Service.....	30	28R	02/02/04	02/02/04	
Rate GS, General Service.....	31	28F	02/02/04	02/02/04	(C)
Reserved for Future Use.....	32	-			
Reserved for Future Use.....	33	-			
Reserved for Future Use.....	34	-			
Reserved for Future Use.....	35	-			
Reserved for Future Use.....	36	-			
Reserved for Future Use.....	37	-			
Reserved for Future Use.....	38	-			
Reserved for Future Use.....	39	-			
Reserved for Future Use.....	40	-			
Reserved for Future Use.....	41	-			
Reserved for Future Use.....	42	-			
Reserved for Future Use.....	43	-			
Rate FRAS, Full Requirements Aggregation Service.....	44	-	03/01/02	01/31/02	
Reserved for Future Use.....	45	-			
Reserved for Future Use.....	46	-			
Reserved for Future Use.....	47	-			
Reserved for Future Use.....	48	-			
Reserved for Future use.....	49	-			
<u>TRANSPORTATION TARIFF SCHEDULE</u>					
Rate IT, Interruptible Transportation Service.....	50	28G	03/01/02	01/31/02	
Purchased Service.....	50	28J	03/01/02	01/31/02	
Summer Minimum Service.....	50	26L	03/01/02	01/31/02	
Unauthorized Delivery.....	50	26T	03/01/02	01/31/02	
Rate FT-L, Firm Transportation Service.....	51	28M	04/07/02	04/08/02	
FT Bills – No GCRT.....	51	27A	04/07/02	04/08/02	
FT Bills – With GCRT.....	51	27T	04/07/02	04/08/02	
FT - Interruptible Bills – No GCRT on FT over 1 Year.....	51	28P	04/07/02	04/08/02	
FT - Interruptible Bills – GCRT on FT Under 1 Year.....	51	28T	04/07/02	04/08/02	
Reserved for Future Use.....	52				

Issued by authority of an Order of the Kentucky Public Service Commission dated

in Case No. 2004-00011 .

Issued:

Effective: February 2, 2004

Issued by Gregory C. Ficke, President

RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month: \$8.30
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for all CCF at	23.34¢	plus	70.95¢	Equals	94.29¢	(R)

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed each month.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission, dated in Case No.
2004-00011.

Issued:

Issued by Gregory C. Ficke, President

Effective: February 2, 2004

RATE GS

GENERAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$15.35
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	20.49¢	plus	70.95¢	Equals	91.44¢	(R)

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

Issued by authority of an Order of the Kentucky Public Service Commission dated 2004-00011 in Case No.

Issued: Issued by Gregory C. Ficke, President Effective: February 2, 2004

The Union Light, Heat and Power Company
.107 Brent Spence Square
Covington, Kentucky 41011

Ky.P.S.C. Gas No. 5
Sheet No. 31.69
Canceling and Superseding
Sheet No. 31.68
Page 2 of 2

TERM OF SERVICE

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No.
2004-00011

Issued:

Issued by Gregory C. Ficke, President

Effective: February 2, 2004